

Message Text

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INR-10 L-03 NSAE-00 NSC-10 PA-04 RSC-01 PRS-01 SPC-03

SS-20 AID-20 COME-00 EB-11 FRB-02 TRSE-00 XMB-07

OPIC-12 CIEP-02 LAB-06 SIL-01 OMB-01 SCEM-02 INT-08

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FM AMEMBASSY CARACAS
TO SECSTATE WASHDC 2282

C O N F I D E N T I A L CARACAS 00090

STATE PASS USIA

SUBJECT: VENEZUELAN ECONOMIC STUDY TRIP

SUMMARY. AS NEW GOVERNMENT PREPARES TO TAKE OFFICE IN MARCH, ECONOMIC QUESTIONS, ESPECIALLY ENERGY, ARE KEY ELEMENTS FOR US/VENEZUELAN RELATIONSHIP, AND IT IS IN USG INTEREST TO DO EVERYTHING POSSIBLE TO INCREASE UNDERSTANDING IN THESE AREAS. TO THIS END, USIS HAS PROPOSED A SHORT, INTENSIVE ECONOMIC STUDY TRIP FOR VENEZUELAN ECONOMIC EXPERTS AND WRITERS TO MEET WITH LEADING US ECONOMIC LEADERS. AMBASSADOR APPROVED PROJECT IN PRINCIPLE.
END SUMMARY.

1. IMPORTANCE OF GENERAL ECONOMIC RELATIONS, IN VIEW OF VENEZUELA'S POSITION AS MAJOR SOURCE OF ENERGY, IS OBVIOUS. MEANS OF OBTAINING UNDERSTANDING AT HIGHEST LEVELS OF INCOMING AD ADMINISTRATION IS MANIFESTLY IMPORTANT, AND IN US INTEREST. ONE STEP THAT COULD BEGIN TO ATTAIN THIS END COULD BE AN ADMITTEDLY RATHER UNUSUAL, INTENSIVE, SHORT EXCHANGE PROJECT TO ENABLE A GROUP OF IMPORTANT POLITICAL
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ECONOMISTS AND ECONOMIC WRITERS TO MEET WITH TOP US OFFICIALS

IN WHITE HOUSE, STATE, TREASURY, FEO, COMMERCE, PERHAPS SOME CONGRESSIONAL EXPERTS, POSSIBLY SOME PRIVATE ECONOMIC LEADERS. TRIP WOULD LAST FROM ONE TO TWO WEEKS AT MOST.

2. PARTICIPANTS WOULD BE ECONOMISTS WITH CLOSE CONNECTIONS WITH PRESIDENT-ELECT CARLOS ANDRES PEREZ WHO WOULD BE IN POSITION TO RELAY THEIR FINDINGS TO CAP AND HIS ECONOMIC LEADERS HOPEFULLY JUST BEFORE INAUGURATION. WE WOULD, HOWEVER, ALSO INVITE ONE OR TWO QUALIFIED COPEIANOS IN ORDER TO MAINTAIN EMBASSY POLICY OF IMPARTIALITY AS BETWEEN PARTIES. FINANCIAL EDITORS OF EL NACIONAL AND EL UNIVERSAL, AS WELL AS COLUMNIST LUIS ESTEBAN REY (AD DEPUTY-ELECT) WOULD BE INCLUDED.

3. OBJECTIVE WOULD BE TO ENABLE THIS CAREFULLY SELECTED GROUP TO GET FIRST-HAND PICTURE FROM MOST AUTHORITATIVE SOURCES OF US AND WORLD ECONOMIC SITUATION AND ITS IMPLICATIONS FOR VENEZUELA, BACKGROUNDING ON THE REALITIES OF FOREIGN (US) INVESTMENT IN LATIN AMERICA AND VENEZUELA, UPDATING ON NEW TRADE NEGOTIATIONS AND COMMERCIAL DEVELOPMENTS, THE CHANGING INTERNATIONAL MONETARY SITUATION AND, LAST BUT NOT LEAST, A US VIEW OF ENERGY PROBLEMS AND PROSPECTS, AND VENEZUELA'S RELATIONSHIP THERETO.

4. IF POSSIBLE, THIS PROJECT SHOULD BE CARRIED OUT BEFORE INAUGURATION IN EARLY MARCH OF PRESIDENT PEREZ. WE WOULD HOPE THAT CU FUNDS WOULD BE AVAILABLE FOR THIS PROJECT, PERHAPS WITH USIA PARTICIPATION. COSTS ARE ESTIMATED AT APPROXIMATELY \$6000 FOR INTERNATIONAL TRAVEL AND PER DIEM. SERVICES OF STATE INTERPRETER WILL BE NEEDED.

5. EMBASSY/USIS ARE CONSIDERING VARIOUS SPONSORSHIP ALTERNATIVES SUCH AS JOINT NORTH AMERICAN ASSOCIATION/EMBASSY; ASSOCIATION OF VENEZUELAN-AMERICAN UNIVERSITY GRADUATES AND EMBASSY, OR SOLE EMBASSY SPONSORSHIP. WHATEVER FINAL DECISION, WE WILL RETAIN FULL SCHEDULING CONTROL AND USIS OFFICER WILL ESCORT GROUP.

6. AMBASSADOR APPROVES OF PROJECT IN PRINCIPLE AND FEELS IT OFFERS USEFUL OPPORTUNITY FOR USG FULLY AND FRANKLY TO INFORM
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INCOMING GOVERNMENT AND VENEZUELAN PUBLIC OF US ECONOMIC AND ENERGY OBJECTIVES AND PLANS. WE SOLICIT PROMPT STATE/USIA REACTIONS TO THIS PROPOSAL.
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